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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

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Item 5 of the provisional agenda**
Special economic, humanitarian and disaster relief assistance

Identical letters dated 20 June and 27 June 2007 from the Secretary-General to the President of the General Assembly and the President of the Economic and Social Council

I wish to draw your attention to the attached note on the outcome of the meeting of the Advisory Group of the Central Emergency Response Fund, which was held in New York on 23 and 24 May 2007.

In accordance with the General Assembly resolution 60/124, the Advisory Group was established to advise the Secretary-General on the use and impact of the Fund.

The note summarizes the key points raised during the discussions on both the management of the Fund and its effect on humanitarian operations on the ground. I would like to draw your attention to the recommendation of the Advisory Group that Member States should make every effort to achieve the $500 million target by 2008. I fully endorse that recommendation and call upon Member States to contribute to the Fund.

I should be grateful if you would bring the attached note to the attention of the Member States, ahead of the upcoming humanitarian affairs segment of the Economic and Social Council entitled "Strengthening of the coordination of United Nations humanitarian assistance through enhancing the effectiveness of needs-based humanitarian assistance", which will be held in Geneva from 16 to 18 July 2007.

(*Signed*) **Ban** Ki-moon

* A/62/50.
** E/2007/100.

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Annex

Note by the Secretary-General on a meeting of the Advisory Group of the Central Emergency Response Fund held in New York on 23 and 24 May 2007

1. The 12-member Advisory Group was established by the General Assembly, in its resolution 60/124, to advise the Secretary-General through the Under-Secretary-General for Humanitarian Affairs, on the use and impact of the Central Emergency Response Fund, including timeliness and appropriateness of Fund allocations, performance, accountability and transparency. The Advisory Group held its first meeting in March 2006. The third meeting of the Advisory Group took place in New York, on 23 and 24 May 2007. The Group addressed progress and challenges during the first 15 months of operations of the Fund.

2. The Secretary-General takes this opportunity to share with the General Assembly the observations and conclusions of the Advisory Group based on updates by the Under-Secretary-General for Humanitarian Affairs and the manager of the Fund, independent reviews, including from the field and specific non-governmental organization perspectives, as well as consultations with United Nations agencies and the International Organization for Migration (IOM).

3. The Fund had come a long way since its inception in March 2006, although the need still existed for additional improvements, such as rationalizations and streamlining of administrative procedures to enhance the expediency of the Fund, improved analytical reporting on results and achievements of the Fund at the country level and enlarged stakeholder participation in the prioritization of Fund allocations at the country level under the leadership of the humanitarian/resident coordinator.

4. The Fund had made good progress towards its objectives of providing quick initial funding for life-saving assistance and rapid response in sudden onset, rapidly deteriorating and underfunded emergencies. However, further clarity was required on criteria for the use of the Fund in such situations to enhance further its predictability and added value as a complement to other funding mechanisms rather than as a substitute. Contributions to the Fund over and above the contributions made to the United Nations and other agencies for humanitarian assistance should be encouraged and its linkages to country-level pooled funding for humanitarian response should be enhanced.

5. The Fund could be a catalyst for United Nations reform at the country level, improving coordination and prioritization at all levels and promoting timeliness and equity in the humanitarian response, building on broad-based country-level partnerships. The leadership role of the humanitarian/resident coordinator in that regard was critical.

6. More specifically the Advisory Group made the recommendations set out below.

7. For the Fund to become a progressively more effective tool for emergency response in the field, additional efforts were required to mobilize resources to reach the funding target of $500 million in 2008, including $50 million as a loan component, as endorsed by the General Assembly in its resolution 61/134. The

Advisory Group welcomed the large number of new donors to the Fund and the increased and multi-year commitments made by some donors. The continued use of the loan element, despite the increase in grant funds, provided a valuable tool for critical funding gaps, thus validating its continued existence. The Group encouraged the Under-Secretary-General for Humanitarian Affairs to look into the possibility of reimbursements from agencies in cases where responses to appeals exceeded expectations. Members of the Advisory Group offered their services to the Under-Secretary-General in support of continued resource mobilization efforts to meet the 2008 target of $500 million, including advocacy. The Advisory Group recommended that the Secretary-General call upon Member States, including permanent members of the Security Council, to make every effort to achieve the $500 million target by 2008.

8. The Advisory Group reviewed the transaction costs of the Fund and the need for transparency in the nature of expenditures covered by the overhead charged to the Fund for administrative costs. The Advisory Group recommended that the administrative costs of the Fund secretariat be covered by the overhead rate charged by the Secretariat, which currently stands at 3 per cent. The Advisory Group asked the Secretary-General to pursue the matter further with a view to reducing the overhead rate to cover actual costs. The Advisory Group noted that the overhead charged by the implementing United Nations agencies and IOM reflected decisions by their respective boards and asked the Secretary-General to explore options to direct the appropriate proportion of the overhead to the final implementing partner. Concern was registered that current practice could impede efficient programme implementation.

9. The Advisory Group reviewed the existing staff capacity of the Fund secretariat. When considering the further work needed on performance monitoring and evaluation, resource mobilization, financial tracking, reporting and gradually moving from project allocations to more strategic levels of decision-making in line with the cluster approach practiced by most United Nations country teams, it concluded that greater staffing was necessary. The Advisory Group noted that the costs of such a staff increase would still be possible within the 3 per cent overhead at the level of the secretariat of the Fund.

10. The Advisory Group noted the need to examine how the Fund could streamline its management of an increasing number of projects, inter alia, through more flexible funding based on improved needs assessments and performance monitoring. The Advisory Group noted that such a development had been part of a broader reform agenda in humanitarian response, in which the Fund had played an important role. The Advisory Group recommended further efforts in developing and communicating appropriate guidelines and resolving outstanding administrative issues, such as the agreed umbrella, letter of understanding which had yet to be put into practice. The Advisory Group encouraged progress towards the creation of such a standard document in order to speed up the disbursement of funds and expressed concern that projects could adversely impact the management ability of the Office for the Coordination of Humanitarian Affairs.

11. The Advisory Group recommended the development and urgent implementation of an all-inclusive communications strategy to promote predictability and transparency as well as increased training for humanitarian actors at the field level. In addition, the Advisory Group recommended improved quality of

reporting on outputs and achievements for 2007 based on the analysis of reports received from participating humanitarian agencies. The Advisory Group also recommended the creation, by 2008, of a standardized reporting and monitoring framework, focusing on outputs and achievements.

12. The Advisory Group noted that guidelines and templates should be used as a mechanism to assist humanitarian/resident coordinators in coordinating the Inter-Agency Standing Committee, United Nations country teams, non-governmental organizations, both international and national, as well as other humanitarian actors, including, as appropriate, national Governments to assess the priority needs and added value of the Fund in relation to alternative resources. The central role played by Governments and local authorities in natural disasters should be recognized throughout the cycle of providing life-saving relief. It was agreed that continuing guidance should be used to clarify the role and responsibilities of the humanitarian/resident coordinators and the field offices of the Office for the Coordination of Humanitarian Affairs, where appropriate.

13. The Advisory Group underlined the need to finalize the ongoing process of refining the definition of life-saving to ensure consistency and predictability of Fund allocations to humanitarian responses and expressed concern that too broad a definition could dilute the overall effectiveness of the Fund. The Advisory Group committed itself to providing guidance on the criteria.

14. The Advisory Group underlined the need for a sound analysis of how the Fund had reinforced the humanitarian reform process, facilitated better coordination under the leadership of resident/humanitarian coordinators, provided equitable balance to neglected emergencies and promoted partnership and participation among United Nations agencies, non-governmental organizations and other humanitarian actors. In that context, the Advisory Group noted that the performance and accountability framework for the Fund had had two levels: the first had been that of impact in addressing time-critical needs and the second, that of effectiveness and efficiency at the level of management. The Group welcomed the framework under development at the Fund secretariat as a good start in the right direction and asked for the development of indicators for measuring impact and outcomes.

15. The Advisory Group reviewed the merits of members making field visits to assess first-hand the effectiveness of Fund allocations and came to the conclusion that it would be more productive to have consultations by videoconference with humanitarian/resident coordinators on their key role in managing the Fund. Such a consultation should take place at the next Advisory Group meeting, scheduled for October 2007 in Geneva.

16. The Advisory Group performed a thorough review of the role of non-governmental organizations in making good use of Fund allocations and confirmed the importance of international and national non-governmental organizations, as well as national Governments, as strategic partners that should play a more active role in programming and strategizing humanitarian response. The Advisory Group recommended that the Emergency Relief Coordinator, together with participating agencies, explore ways to foster greater engagement of non-governmental organizations, for example, through the cluster approach. The Advisory Group further encouraged the Emergency Relief Coordinator to look into ways Fund allocations could enhance participation by non-governmental organizations at the field level and be used more effectively for activities where they

were responsible for implementation, including through the use of country-level pooled funds.

17. The Advisory Group recommended that the Fund secretariat request United Nations agencies and IOM receiving resources from the Fund to speed up their transfer to non-governmental organizations and other implementing partners and agencies, if necessary by making the necessary modifications to the established procedures. The Advisory Group also asked the Fund secretariat, in consultation with United Nations agencies, IOM and other stakeholders, to look into the compelling circumstances under which the three-month implementation period for rapid response grants may be applied flexibly.

18. The Advisory Group noted that a significant amount of Fund resources had been used for common services in critical emergency situations, including for security, and that such services would benefit all humanitarian actors engaged in operations, including non-governmental organizations.

19. The Advisory Group underlined the importance of the two-year evaluation of the Fund to be performed in 2008 and asked for a review of the draft terms of reference for that evaluation, which should be as detailed as possible so as to make the best possible use of the final report as a basis for consideration by the General Assembly of the achievements of the Fund in the second half of 2008. The Advisory Group would make use of the final report of the Office for the Coordination of Humanitarian Affairs of its interim independent review of six countries benefiting from Fund allocations in 2006 when making its contribution to the development of the terms of reference for the two-year external review.

20. The Advisory Group looked forward to assessing progress towards the achievement of the recommendations at its next meeting in October 2007.